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GOVERNMENT AND ADMINISTRATION

Devolution to Scotland and Wales

Further details of Government plans for devolution to Scotland and Wales are contained in a White Paper published in August.[1]

The White Paper gives details of a number of amendments to proposals in Cmnd 6348 *Our Changing Democracy: Devolution to Scotland and Wales* (see pp 467–70, 1975), and contains decisions on matters previously left open. It points out that these have been made in the light of extensive comments from interested bodies and the general public. Among the changes are an increase in the number of seats in the Scottish and Welsh Assemblies, and the decision to retain revenue-raising powers in Westminster.

The decisions contained in the White Paper, together with those in Cmnd 6348, will form the basis of a devolution Bill to be introduced at the beginning of the next parliamentary session in November. A consultation document on devolution in England is also to be published at about the same time.

An account of the new proposals contained in the White Paper (which also reproduces those decisions announced in May – see p 235) is given below.

Assembly Seats

Every parliamentary constituency in Scotland and Wales will have at least two seats in the appropriate Assembly and those with electorates more than a quarter above the average for Scotland and Wales respectively will have three. In the case of Scotland, the Assembly will accordingly contain about 150 members instead of the 138 earlier proposed, and for Wales 80 instead of 75.

The earlier White Paper had suggested that some parliamentary constituencies would have only one Assembly seat, but the Government now considers that this would give low representation to several widespread rural constituencies.

The revised arrangements will apply from the first Assembly elections: they will not be delayed until the Boundary Commissions for Scotland and Wales have formally divided parliamentary constituencies into Assembly ones.

[1] *Devolution to Scotland and Wales: Supplementary Statement.* Cmnd 6585. HMSO, 28p. ISBN 0 10 165850 8.

Taxation

Neither the Scottish executive nor the Welsh Assembly will be able to levy a surcharge on the rates (a local property tax) in their areas to supplement the block grants from the Government in Westminster that will provide the finance for their activities. The White Paper confirms that there would be no better method of devolving some revenue-raising power, but it adds that, in the light of comments received, the Government has decided not to pursue this proposal. 'If future changes are made in the taxation framework, particularly for financing local government, which would make it feasible for the Scottish administration (and the Welsh Assembly) to supplement the block fund while still meeting the conditions set out in . . . Cmnd 6348, the Government will be ready to consider incorporating the necessary revenue-raising powers in subsequent legislation.'

Universities

The White Paper rejects suggestions that responsibility for financing universities in Scotland and Wales should be devolved. It considers that these universities 'benefit from being part of the wider United Kingdom system, and the total and balance of university provision in this system must remain of concern to the Government in the interests of the United Kingdom as a whole. There is general agreement that the University Grants Committee [UGC], which operates throughout Great Britain, has worked well as a means of giving state support to the universities whilst permitting substantial autonomy and academic freedom'.

Instead, the Government will consult the Scottish executive and the Welsh Assembly on appointments to the UGC, and advisers from them will be invited to sit with the committee at all levels of business. In both Scotland and Wales, councils are to be established for the discussion of the future development of post-school education, including the relationship between it and the schools.

Scottish Law

The Scottish Assembly will have legislative powers over the whole range of subjects constituting Scots private law. [These include the law of persons, delict, contract, property, trusts and succession.] The White Paper points out that it is accordingly essential that the use of these powers should not

jeopardise the consistent United Kingdom framework of law relating to matters such as trade, consumer protection and industrial relations. It emphasises that there will be close consultation when Scottish Assembly legislation on Scots private law stands to affect United Kingdom matters, and when Westminster legislation has implications for Scots private law. Parliament's general reserve powers – that is, the authority to reject Assembly Bills if they have unacceptable repercussions on matters for which Westminster remains responsible – will be available if necessary.

On the question of the Scottish courts, the Government has decided that their administration should be fully devolved, together with responsibility for the law of evidence, diligence and contempt of court. Responsibility for the district courts, including the appointment of stipendiary magistrates and justices of the peace, will be devolved, while the appointment of supreme court judges and sheriffs will remain in the hands of the Government. Parliament will retain responsibility for legislation on the basic structure of the court system (other than district courts) and the powers of the two supreme courts over procedure in the courts.

Wales

The White Paper points out that although the devolution Act will itself not affect the structure of local government in Wales, the Welsh Assembly will have supervisory responsibilities relating to local government formerly exercised by the Government. It indicates that the Government intends to ask the Assembly to consider and report on future local government structure in Wales in the context of the Assembly's own new responsibilities for the whole of Wales.

The Assembly's powers over non-elected bodies operating exclusively in Wales in devolved matters are to be strengthened. It will be empowered to take over the functions of such bodies, with the approval of the Secretary of State for Wales.

The Welsh Committee of the Countryside Commission will eventually be replaced by a Welsh Countryside Commission, appointed by, and accountable to, the Assembly. For its activities in Wales, the Housing Corporation will be financed and accountable to the Assembly, which will share in making appointments to it. (This arrangement will also apply in the case of the Scottish executive.)

Tourism

The White Paper considers that in the face of international competition there should be a combined marketing programme overseas for the United Kingdom's tourist industry. The British Tourist Authority (BTA) is to be restructured to include on the board one member of the Scottish Tourist Board appointed by the Scottish executive, and one from the Wales Tourist Board appointed by the Welsh Assembly. The BTA will further be required to prepare its annual programmes in the light of the requirements of Scotland and Wales, in consultation with the Scottish and Welsh tourist boards.

Financial Aid to Political Parties

State support amounting to about £2·25 million a year for political parties and election candidates is recommended in the report[1] of an independent committee published in August.

The Committee on Financial Aid to Political Parties, under the chairmanship of Lord Houghton of Sowerby, says that the effects of rising costs on party finances 'have now raised the question of State grants as a desirable, and possibly the only, way of supporting the minimum standards of political activity and efficiency required to maintain the vitality of our system of representative government'.

The Government is considering the committee's recommendations.

Financial support from public funds for political parties is recommended by a majority of the 12-man committee, but four of its members in a minority report consider that the case has not been made out at the present time for the introduction of such a scheme. Another member, Sir Edmund Compton, formerly Parliamentary Commissioner for Administration, says in a 'note of reservation' that while he agrees that a modest injection of State aid might be the best way to arrest 'the run-down of the parties' he has doubts about the scale of such aid.

The report notes that the majority's recommendations were considerably influenced by visits to Austria, the Federal Republic of Germany, the Netherlands and Sweden, where different forms of State aid for political parties have been introduced. It points out that among the many other parliamentary democracies to have adopted such schemes are Denmark, Finland, Italy and Norway (where fairly substantial aid is given); Canada and the United States (where aid has been introduced on a limited scale); and France and Japan (where aid is confined to assistance at elections and party activity in Parliament).

The majority of the committee recommend that from 1 April 1977 annual grants should be paid from the Exchequer to parties for their work outside Parliament[2] on the basis of each party's electoral support. In addition, there should be some reimbursement of the election expenses of parliamentary and local government election candidates.

In order to qualify for a grant, a party must at the previous general election have either saved the deposits of its candidates in at least six constituencies, or had at least two of its candidates returned as members of Parliament, or had one of its candidates returned as a member, and received as a party not less than 150,000 votes.

The annual grant would be calculated on the basis of 5p for each vote cast for its candidates at the previous general election.

[1] *Report of the Committee on Financial Aid to Political Parties.* Cmnd 6601. HMSO, £4·05. ISBN 0 10 166010 3.

[2] Opposition parties already receive financial assistance from public funds for their work in Parliament (see p 6, 1975).

Candidates in all parliamentary and local elections down to district level, regardless of whether they were affiliated to any party, would in addition be entitled to some reimbursement of their election expenses, provided that they polled at least one-eighth of the votes cast. The amount to be reimbursed would be the candidate's actual election expenses up to a limit of half the legally permitted election expenditure.[1] The scheme would be extended to include elections to the European Assembly, and to the Scottish and Welsh Assemblies, when these occur.

The committee calculates that the total cost of State aid under these arrangements would amount to some £2·25 million. Of this, the annual grants to the parties would comprise about £1,440,000, while the reimbursement of candidates' election expenses would amount to some £860,000 (£360,000 for parliamentary candidates and £500,000 for local government).

The report notes that on the basis of the committee's proposed payment of 5p for each vote, the parties would have received the following sums after the October 1974 general election:

	£
Labour	573,407
Conservative	523,234
Liberal	267,340
Scottish National	41,982
United Ulster Unionist Coalition	20,389
Plaid Cymru	8,317
Social Democratic and Labour Party (Northern Ireland)	7,710
	1,442,379

[1]For candidates in parliamentary elections, £1,075, plus 6p for each eight electors in a borough constituency, or six in a county constituency. Expenditure by candidates in local elections is limited to £45 plus 1p for each elector.

ECONOMIC AND SCIENTIFIC AFFAIRS

Government and Industry

THE MOTOR INDUSTRY

A ten-point agreement on the steps needed to achieve a substantial and internationally competitive British motor industry by the 1980s was reached on 16 July by the Motor Industry Tripartite Group and welcomed by the chairman, the Secretary of State for Industry, Mr Eric Varley, as 'the beginning of a new approach of tripartite co-operation in dealing with the problems of the motor industry'. The members of the group, which was set up as a result of the Government's industrial strategy exercise at the end of 1975 (see p 434, 1975) and held its first meeting in February 1976, are drawn from unions, management and Government.

On 21 July a summary of the National Enterprise Board's (NEB) report on British Leyland to the Department of Industry was published.[1] Its assessment of the company's performance since the Government acquired its majority shareholding under the British Leyland Act 1975 (see p 261, 1975) and of its corporate plan for 1976-1983 formed the basis for the NEB's recommendation that the first tranche of £100 million of public money should be made available to the company. This is part of the total loan envisaged by the Ryder Report (see p 204, 1975). The £100 million is being provided partly from the resources of the NEB (£70 million) and partly under the Industry Act 1972 (£30 million). The Order authorising payment by the Government was given parliamentary approval on 3 August (*Hansard*, cols 1601-33). During the debate Mr Varley spoke of the outstanding recent export performance of British Leyland and the increase in productivity achieved by the company.

Future of the Industry

The members of the Motor Industry Tripartite Group are agreed that the British motor industry must be a central feature of the national economy and they recognise that this objective can only be achieved by constructive, concerted action by all three parties in the group. They agree that a new framework of co-operation and trust has to be established, with changes in policies, attitudes and practices. In particular, the Government will give greater weight to the needs of the industry, management is asked to redouble its resolve to inform and consult workers and recognise the vital interest of workers in the future of their work-organisation, plants and companies, and workers are called on to recognise how far their interests are bound up in the interests of the company and the industry. The importance of avoiding interruptions to production due to disputes and other stoppages is stressed in the group's statement, and the three parties concerned have agreed to analyse the action needed on this and other important issues, such as quality of products, machinery maintenance, capital equipment replacement and modernisation, manning levels, staff/worker relations and training and induction procedures.

Mr Varley said that the emphasis was just as much on action by each member individually as on collective action. Through the group's discussions members were beginning to tackle some of the 'difficult and delicate' problems in the industry and were getting closer to a common approach.

British Leyland

The National Enterprise Board, which acquired the Government's major shareholdings in industry, including that of British Leyland, in February 1976 (see p 168) has examined the company's performance since October 1975 – the beginning of the company's present financial year – and has carried out a review of its first long-term corporate plan. After the report had been completed, Mr Varley said in reply to a parliamentary question (*Hansard*, 21.7.76, written answers, cols 501-2) that the NEB was satisfied that the corporate plan provided a sound framework for the future development of the company and was in accordance with the broad strategy of the Ryder Report. It considered that the company's achievements had outweighed some disappointing aspects of performance and that the trend of improvement fully justified the first tranche of £100 million. Mr Varley said that the Government continued to put emphasis on the importance of a programme of capital investment, so that British Leyland's competitiveness could be restored by transforming facilities and rationalising the model range. The provision of finance would continue to be conditional upon achievement by the company. [The loans are to be for 20 years, as envisaged in the Ryder Report. The interest rate will be commercial.]

[1] Copies of the Tripartite Group's statement and of the digest of the NEB's report can be obtained from the Department of Industry, 1 Victoria Street, London SW1H 0ET.

During the debate on the Order authorising payment by the Government of £30 million as a loan to British Leyland Ltd or any of its subsidiaries, Mr Varley spoke of the important achievements during the first year of the reorganised company's existence. The reorganisation itself had been effected quickly and smoothly; all car operations had been brought under a single management structure, Leyland International had been given clearer responsibility to exploit all profitable opportunities for sales overseas and the other groups had also been made more responsible for their own planning and for making profits. Mr Varley said that the right organisation on a stable basis laid the foundation on which future achievements would rest. A considerable effort had gone into launching a radical new structure for participation by the workforce in the affairs of the company.

With the expansion in the market for cars, Leyland Cars had increased its rate of production by nearly one-third between October 1975 and May 1976. The National Enterprise Board had reported a 24 per cent increase in productivity as measured in terms of output per man. Despite these increases, however, the company had not yet caught up with demand in the domestic market. There had been a large increase in exports – 44 per cent by value in the first half of 1976 and over 10 per cent in unit terms over the equivalent period last year. British Leyland had done especially well in the highly competitive American market and had increased its sales there to the highest level since the corporation was formed. There had also been important developments in the production of new models. In the first half of the year British Leyland had turned in a modest profit, compared with a substantial loss in 1975. Performance in Leyland Cars had been affected by disputes, but over the year there had been an improvement in the industrial disputes record at British Leyland and the number of days lost had been reduced to around 60 per cent of the previous year's figures.

The NEB had agreed with British Leyland, Mr Varley said, that major capital expenditure programmes should be submitted to the NEB, whose approval would be conditional upon the acceptance by representatives of the workforce of the need for certain levels of productivity improvement to ensure that the investment was worth while.

The spokesman for the Opposition, Mr Michael Heseltine, said that there was no question of the Opposition voting against the motion to approve the funds. He said there had been 'no significant disagreement in the House that some form of rescue for British Leyland was necessary' when the Government first adopted the Ryder strategy and introduced in Parliament the various measures that were necessary to implement it. He said, however, that the NEB's report did not begin to answer the legitimate requirements of Parliament if any form of monitoring or accountability was to take place.

AIRCRAFT PROJECTS

The Government has agreed to an extension of its underwriting of the production of the British Aircraft Corporation's *BAC 1-11* aircraft, which was originally announced in June 1975 (*Hansard*, 16.6.75, written answers, cols 313–14). Subject to negotiation of satisfactory contractual arrangements, the potential liability falling to the Government can be increased by a maximum of £3 million. If these arrangements can be negotiated, this will mean that BAC will be able to go ahead on the production of a further five aircraft of this type and will be able to retain a considerable number of employees who might otherwise have to find other work. Profits from further sales will be used to reduce the Government's liability and actual payment by the Government will be made only if an overall loss remains when *BAC 1-11* production finally ceases. The request for the underwriting of the *BAC 1-11* project has been endorsed by the Organising Committee for British Aerospace, the body in which it is proposed to vest the interests of the aerospace companies that will be taken into public ownership when the Aircraft and Shipbuilding Industries Bill becomes law (see p 25).

The second project which is to receive Government support is Hawker Siddeley's *HS 146* feeder airliner. Although work on the launching programme for this aircraft has been suspended, the Government is contributing to the cost of keeping open the options until the project can be reconsidered by British Aerospace (see p 26, 1975). Hawker Siddeley has proposed a six-month programme of additional design work, research and development and structural testing and this has been agreed in principle by the Government. The £3·5 million required to fund this work will be the responsibility of British Aerospace on vesting day and will be met from within the funds of the new corporation. The acceptance of the programme will prevent a substantial number of redundancies from taking place.

OTHER DEVELOPMENTS

Accelerated Investment Projects Scheme

The Minister of State for Industry, Mr Alan Williams, said in reply to a parliamentary question on 6 August (*Hansard*, written answers, col 1119) that no further applications could be accepted under the Accelerated Investment Projects Scheme (see p 74) but applications already received would be considered. The scheme was introduced to promote significant investment by manufacturing industry otherwise deferred through the adverse economic circumstances of the past two years; in view of the improving outlook for investment in 1977 and 1978 the scheme would be closed.

So far 80 projects have been approved under the scheme, involving £74 million of selective financial assistance. The total project costs will be some £550 million, with a forecast benefit to the balance of payments of more than £200 million in 1978 and exceeding £350 million in 1980. Even though the creation of new employment was not a prime objective of the scheme, some 8,000 new jobs will result, with many more sustained while new plant and buildings generated by the scheme are undertaken. The scheme's impact will be felt over a wide range of industries and areas.

Ferrous Foundry and Machine Tool Industry Schemes

The ferrous foundry scheme, launched in August 1975 (see p 354, 1975), and increased by £15 million to £40 million in February, has been described by Mr Varley as 'on the way to transforming the industry'. It is also expected to improve productivity, flexibility of operations, product quality and working conditions. Assistance amounting to £13·8 million for 82 projects costing over £63 million has so far been approved. The critical importance of the supply of iron and steel castings in the next upturn has been emphasised in many of the recent reports by the sector working groups of the industrial strategy exercise (see p 329).

The machine tool industry scheme, initiated at the same time as the ferrous foundry scheme, has similar objectives and is able to provide assistance totalling £20 million. Some changes to the scheme were announced on 10 August; these affect the terms of the scheme and they also extend its scope to include two sectors of industry closely connected with metal working machine tools – manufacturers of 'one-off' tooling and manufacturers of assembly machines. The eligibility limits for projects has also been lowered.

Printing and Textile Machinery

Selective assistance is being made available under the Industry Act 1972 (section 8) for textile machinery manufacturers, up to a total of £20 million, and for printing machinery manufacturers, up to a total of £15 million. The form of assistance – to be given either as concessionary loans or equivalent interest relief grants – will vary according to the nature of the project and will be dependent on the viability of the company and the commercial soundness and desirability of the project.

National Enterprise Board

The National Enterprise Board (NEB) has subscribed £2 million for shares and taken a controlling interest of nearly 54 per cent in Data Recording Instrument Company Ltd (DRI), the largest British manufacturer of the peripheral equipment used in computer systems. The NEB's participation is 'in accordance with its policy of providing support to growth industries' (see p 168) and has been recommended by the National Research Development Corporation, which in 1974 began its support for the company's substantial research and development programme by means of loan and share capital. The NEB investment will enable DRI to achieve the further growth in sales volume and the development of additional products necessary to secure the profitable expansion of the company and increase the company's role in European and other markets. The company exports half its turnover and the balance represents indirect exports and the replacement of products which would otherwise have to be imported.

Investments held by the NEB are now as follows: Anglo Venezuelan Railway Corporation, 35 per cent; British Leyland Ltd, 95·1 per cent; Brown Boveri Kent, 17·7 per cent; Cambridge Instruments Ltd, 28·2 per cent; DRI Ltd, 53·9 per cent; Dunford and Elliott Ltd, 2·6 per cent; Ferranti Ltd, 62·5 per cent; Herbert Ltd, 100 per cent; International Computer (Holdings) Ltd, 24·4 per cent; and Rolls-Royce (1971) Ltd, 100 per cent. The cost of these investments came to a total of nearly £467·1 million.

Deposit-taking Institutions

A new system of licensing and supervising all deposit-taking institutions[1] is outlined in the White Paper: *The Licensing and Supervision of Deposit-Taking Institutions,* Cmnd 6584, HMSO, 20p, ISBN 0 10 165840 0 published in August. Under the new system (which is subject to parliamentary approval) institutions will be allowed to carry on the business of taking deposits only if they hold a licence granted by the Bank of England, unless they are either recognised as a bank under the new arrangements or are covered by one of the existing statutory schemes. The Government believes that institutions which take deposits from the general public or from the wholesale money markets should be subject to an adequate system of authorisation and supervision, backed by statute where necessary. Building societies and trustee savings banks are already subject to prudential supervision under statute and the primary banking sector is subject to supervision by the Bank of England (see below). There are, however, other deposit-taking institutions which are not at present subject to continuing supervision. The White Paper's proposals are directed to the improvement of these arrangements and in particular to the extension of the system to close this gap. The new arrangements proposed by the Government will meet Britain's obligations under the European Community's prospective directive on the commencement and carrying on of business by banks and other credit institutions. The Government's intention to introduce legislation providing for the prior authorisation of deposit-taking institutions was first announced in October 1975 (see p 454, 1975).

Licensing

In order to obtain and hold a licence institutions will be required to comply with certain general conditions laid down in the proposed legislation and with published prudential criteria which will be determined by the Bank of England with the agreement of the Treasury. Although the Government has already formed some view about the nature of these criteria, it feels it would not be right

[1]The main types of deposit-taking institutions are described in COI Reference Pamphlet R5975/74 *British Banking and other Financial Institutions.*

to settle details in advance of consultations with those most closely affected. No company will be granted a licence unless its capital and reserves exceed a minimum figure. In fixing the figure the Government will strike a balance between the need for it to be high enough to provide sufficient assurance of financial substance and the need for it not to be so high that it would constitute an undue deterrent to otherwise suitably qualified persons who wish to enter the deposit-taking field. Institutions will also have to satisfy the Bank of England that their management is honest, trustworthy and suitably qualified to undertake the kind of business which they intend to conduct. In deciding whether to grant a licence to an existing institution the Bank of England will also look at its past performance and will assess whether it is likely to be able to meet the standards of liquidity and solvency appropriate to a deposit-taking institution.

Institutions which receive a licence will thereafter have to satisfy the Bank of England that they continue to meet the criteria and conform to the required standards in conducting their business. In assessing a deposit-taking institution's business, the Bank of England will examine appropriate balance sheet relationships and ratios relating to the capital adequacy and liquidity of the institution, the degree of risk attaching to various assets, the matching of liabilities and assets in both sterling and other currencies, the reliance placed on deposits from connected companies and the institution's lending to connected organisations, the distribution of its lending among economic sectors and the provisions and profits that have been made. This information will be interpreted flexibly, taking account of the particular circumstances of each institution. The Bank of England will be able to attach further conditions to the granting and renewal of licences covering such matters as the appointment of directors or management and the injection of extra capital. It will be able to revoke or suspend a licence if it considers that the company no longer meets the standards required of a deposit-taking institution. There will be a right of appeal to the Treasury against the refusal or revocation of a licence.

Recognition as a Bank

The Bank of England will be empowered to grant a new statutory recognition as a bank to certain deposit-taking institutions, which will exempt them from the licensing provisions of the proposed legislation. Exacting criteria for such recognition, covering such matters as minimum capital and reserves, the type or range of bank services required to be provided and the reputation or status needed will be determined by the Bank of England with the agreement of the Treasury and will be published. According to the White Paper, it is expected that most of the institutions which comprise the present primary banking sector will qualify for such recognition. The arrangements for their supervision will remain unchanged, although in the considerably strengthened manner that has been introduced since the early 1970s. There will be a right of appeal to the Treasury against the refusal or revocation of this recognition.

Banking Names and Advertising

The Government intends to extend the existing controls over the use of the word 'bank' and its derivatives. Recognised banks will be permitted to use the word 'bank' in their name and to describe themselves as banks or as carrying on the business of banking; licensed institutions will not. The National Savings Bank and the trustee savings banks will be permitted to continue to use the word 'bank'. The proposed legislation will also empower the Treasury, acting in consultation with the Bank of England, to issue regulations governing the content and form of advertising for deposits.

Deposit Protection Fund

The White Paper explains that in any system of prudential supervision a balance must be struck between ensuring that deposit-taking institutions conduct their affairs with an appropriate degree of caution, and that they are free to explore and develop new areas of business which may be profitable not only to the institutions themselves but also valuable to the economy as a whole. It recognises that no supervisory system can exclude altogether the possibility of an institution finding itself in difficulties. The Government proposes, therefore, to institute a mandatory deposit protection fund which will provide the public with an additional safeguard against the loss of deposits. The Government is still considering the details of the scheme, but intends that it should relate to sterling deposits up to £10,000 (or the first £10,000 of larger deposits) with all licensed deposit-takers and recognised banks. The fund would be administered by the Bank of England.

Exclusions

The supervisory arrangements described in the White Paper will not cover building societies, trustee savings banks, the National Savings Bank, the National Giro and friendly societies which, it explains, are already satisfactorily regulated and supervised under statute. However, the trustee savings banks have recently begun a transformation process which will, over the next few years, enable them to expand progressively their range of banking services (see p 323, 1974). The Government envisages that they will be brought within the arrangements proposed in the White Paper at the appropriate stage in their development. The arrangements will also not apply to stockbrokers who are regulated by the Council of the Stock Exchange. 'Deposits' will be defined in the legislation in such a way as to exclude part payments for future acquisitions or services. The legislation will, therefore, not apply to deposits taken by solicitors, estate agents and a wide range of other traders who take deposits as part payments.

Branches of Overseas Deposit-taking Institutions

Branches of overseas deposit-taking institutions operating in Britain will, like domestically incorporated deposit-takers, need to hold a licence or be recognised as a bank in order to take deposits. The Bank of England will be concerned to ensure

that they conform to appropriate standards in the conduct of their business, but the arrangements for their prudential supervision will remain primarily a matter for the supervisory authorities in the country of origin. Branches of overseas deposit-taking institutions will not be required to have separate endowment capital in Britain. Such institutions with head offices elsewhere in the European Community which are licensed in Britain may be entitled to use the banking names by which they are known in their country of origin.

Transition and Special Cases

The new system will apply both to institutions wishing to take deposits for the first time and to deposit-taking institutions in existence at the time the proposed legislation comes into force. The latter will be given an adequate period, probably 12 months, after the Act is passed in which to meet the new requirements. The Bank of England will be prepared to discuss with any of the institutions affected its prospects of obtaining a licence or being granted recognition as a bank. Certain institutions which carry on a business of taking deposits and which are not supervised under existing legislation, for example credit unions, certain retail co-operatives, municipal or local banks and the Scottish uncertified savings banks, may not fit easily into the proposed arrangements. The Government will, therefore, hold consultations with these and any other group of institutions which may find it difficult because of their special circumstances to comply with the requirements of the proposed legislation.

Parliamentary Accountability

The general arrangements for supervision will be subject to parliamentary scrutiny in three ways. The framework will be laid down in the legislation. The criteria to be used by the Bank of England in deciding whether individual institutions should be licensed or recognised as banks will be laid before Parliament when they are originally prescribed and as and when they are varied to meet changing circumstances. Finally the Bank of England will report annually on the exercise of its supervisory responsibilities; these reports will be laid before Parliament and will be available to the Select Committee on Nationalised Industries. There will therefore be full accountability to Parliament through Treasury ministers for the operation of the overall system by the Bank of England. The handling of individual cases will be a matter for the Bank of England; Treasury ministers will not be in a position to answer questions on them, unless there is an appeal which will be subject to a statutory inquiry.

The Need for Legislation

The White Paper explains that with certain exceptions such as building societies, a deposit-taking institution in Britain at present requires no licence or other authorisation before it commences business, and there is no statutory regulation of its subsequent performance. However, the Bank of England for many years has operated a system of prudential supervision over banks and its supervisory role, although not deriving from specific statutory authority, has long been accepted throughout the primary banking sector. This system has a number of advantages. The ability of banks to adapt to changing circumstances has not been hindered by the comparative inflexibility which can result from a more formalised regulatory apparatus. Furthermore, the customs and conventions of a self-regulatory system are thought likely to command more willing and continued support than formal rules imposed by law. However, although there is no comprehensive statutory definition of a bank in Britain, institutions may be given specific recognitions as banking undertakings under a variety of statutes for the limited purpose of each statute. These recognitions do not in themselves imply anything about the financial standing of the institutions concerned, and the proliferation of recognitions – with differing criteria and coverage – causes confusion. The confusion is compounded by the inadequacies of the present arrangements for regulating the use of the word 'bank' and its derivatives in corporate names and descriptions. This makes it difficult for depositors to distinguish between the different categories of deposit-taking institution.

Commonwealth Development Finance Company

ANNUAL REPORT

The work of the Commonwealth Development Finance Company (CDFC) in 1975-76, the company's twenty-third year of operation, is reviewed in its annual report[1] published in August. During the year it continued to pursue the policy, adopted in 1974-75 following a review of company policy in the light of international economic conditions, of consolidating existing investments and of undertaking fewer and larger new investments. As a result investments were made in only three new projects, the remainder of the year's commitments being in businesses in which the CDFC already had an interest. The total of the group's development investments at 31 March 1976, after deducting provision against losses totalling £3·66 million, was £34·935 million, the highest so far.

The CDFC is a private enterprise institution. Established in 1953 and based in London, its aim is to support commercial enterprise overseas, which will benefit local economies, by providing finance in the form of share capital and loans. Although it operates mainly in Commonwealth countries, the company's activities are not confined to the Commonwealth. Its shares are held by a number of industrial, shipping, mining and banking companies with extensive interests in the Commonwealth and elsewhere overseas, as well as by the Bank of England and certain other Commonwealth and overseas central banks. The company is

[1] *Commonwealth Development Finance Company Ltd, 1976.* Available free from CDFC, London.

financed by an issued share capital of £7·329 million (14·59 million 'A' Ordinary shares of £1 each, 10p paid, and 11·74 million 'B' Ordinary shares of £1 each, 50p paid) and by extensive borrowings. It has issued debentures to the value of over £15 million.

The CDFC has the following subsidiaries (excluding trading subsidiaries): CDFC Australia Ltd (which controls two financial subsidiaries); CDFC (Ceylon) Ltd; CDFC Holdings Ltd in Canada; CDFC Financial Services Ltd in Canada; CDFC (Malaysia) Ltd; CDFC New Guinea Pty Ltd; ComRoy Ltd in Norfolk Island; Development Finance International Ltd in Bermuda; and CDFC International Ltd in London.

Results and Operations

The report gives details of investments and commitments by the CDFC and its subsidiaries in 40 countries including Britain. At 31 March 1976 there were investments in 21 categories of enterprise, ranging from building services, engineering, forestry, agriculture and processing to hotels, mining, public utilities and textiles. Geographically 31·2 per cent by value of all investments were in Asia, 23·4 per cent in Australasia, 24·6 per cent in the Caribbean, Brazil and Canada, 13·5 per cent in Africa and 7·3 per cent in Europe including Britain. New commitments made by the group during the year totalled 2·84 million, in eight countries.

In its trading operations the CDFC made a loss (after tax) of £1,196,355, after making considerable provision, of £1,608,537, against losses on investments.

The Drought: Government Measures

Special measures have been taken by the Government to deal with the consequences of the abnormally dry weather which Britain, in common with much of northern Europe, has been experiencing in 1976. In many parts of Britain the past 15 months have been the driest period since records started some 250 years ago and have followed five successive years which were drier than normal. This has led to potentially acute water shortages in some areas, such as south Wales, parts of the South West, the Midlands, Yorkshire and East Anglia. Government action has included the introduction of special legislation – the Drought Act – the appointment of a Minister responsible for co-ordinating action relating to the drought, suspension of customs duties on imports of certain vegetables, and measures designed to help some cattle breeders affected by the drought.

As a result of the reorganisation of the water services industry in 1974, in which ten water authorities, established as administration units based on the hydrological cycle, replaced the previous 157 units in England and Wales, there has been increased efficiency in water services. This has produced an effective gain in supply and enabled resources to be better deployed.

Drought Act

The Drought Bill (Lords), received its second reading in the House of Commons on 4 August (*Hansard*, col 1744) and became law on 6 August. The Minister for Planning and Local Government, Mr John Silkin, explained that the Bill gave the Government emergency powers to deal with the consequences of the dry weather. He said that the severity and duration of water shortages in the areas most affected would depend on a number of factors – the kind of weather over the next two months, the success of the water authorities in obtaining alternative sources of supply, and the co-operation of all concerned, including domestic users, industry and agriculture, in saving water. The need for strict economy would extend well into the winter, until the authorities could be satisfied that they had an adequate margin of supplies.

The Act has two sections. Section 1 gives powers to help with water conservation, which will be invoked in the precautionary stage before a water crisis is declared. This section re-enacts the existing provisions of the Water Act 1958 dealing with abstractions and river flows, but builds on them in giving extra powers for water authorities to deal quickly in a time of drought with discharges of sewage or trade effluent, and to limit non-essential uses of water. Section 2, which contains powers to ration water supply, will be invoked if an imposed quota system for water use becomes necessary to ensure the best use of available water resources in order to keep going the essential life of a local community.

Non-essential Water Uses

In a statement issued on 12 August, Mr Silkin announced the restrictions on non-essential water uses that could be applied under Section 1 of the Act. Water authorities or water companies facing shortages in their areas may apply to the Secretary of State for the Environment for an Order giving them powers to limit or prohibit the following uses of water:

a the watering, by hosepipe, sprinkler or other apparatus, of parks, ornamental gardens, lawns, recreation grounds, sports grounds, playing fields, golf courses or racecourses, whether publicly or privately owned;

b the filling, whether wholly or partially, of privately owned swimming pools and ornamental ponds other than fish ponds;

c the operation of mechanical car washers, whether automatic or not;

d the washing of road vehicles for any reason other than safety or hygiene;

e the cleaning of the exterior of buildings;

f the operation of ornamental fountains or cascades, including any where water is recycled;

g the operation, in relation to any building or other premises, of any cistern which flushes automatically, during any period when the premises are wholly or substantially unoccupied.

The water authorities decide on the measures needed in their own areas, and apply them accord-

ingly. Until an Order is made for a particular area the restrictions cannot take effect.

Water authorities are expected to use the new powers 'firmly but flexibly', and are urged to consult with the various interests affected to see how far real economies in water use can be achieved without the need for a total ban on the various activities involved.

Winter Drought Study

On 11 August Mr Silkin, after congratulating the water authorities and their staff on their excellent work in maintaining water supplies so far in an unprecedented situation, asked the National Water Council – the advisory body set up under the Water Act 1973 – to undertake an urgent study of the future of Britain's water supplies against the possibility of an extremely dry winter, and of any additional preparatory measures the Government should be taking against this eventuality.

Minister with Special Co-ordinating Responsibilities

On 24 August, following a meeting of ministers to discuss the water situation, the Prime Minister, Mr James Callaghan, appointed Mr Denis Howell, Minister of State at the Department of the Environment, as Minister with special co-ordinating responsibilities for the drought. In a statement on 24 August, Mr Howell said that the Government, which regarded the present situation as serious but not yet critical, intended to maintain the life of the country as near to normality as possible by the redeployment of resources as far as practicable and by sensible restrictions. Even if rainfall in the coming winter months were up to average levels (18 inches or 45 centimetres in England and 30 inches or 75 centimetres in Wales) this would be insufficient to prevent a serious situation in certain localities in the summer of 1977. The Government had considered four equal priorities: industry – especially industries crucial to the national life of the country and to the locality concerned; agriculture; health and safety; essential domestic supplies.

Among the urgent tasks was to take every initiative to augment supplies and to consider every feasible scheme for the transfer of water to areas of greatest need. Initiatives already taken by the regional water authorities along these lines must be developed and intensified. Fire and floods would immediately receive special consideration.

On the Government's medium-term objectives Mr Howell said that the National Water Council's winter drought study, which would be with the Government by October, could involve building new pipelines, transfer systems and generally augmenting existing sources and developing new sources. Administrative 'tidying up' arrangements mentioned in the consultative document[1] issued in March would be considered as a matter of urgency – in particular strengthening the planning capability at national level.

[1] *Review of the Water Industry in England and Wales.* Available free from the Department of the Environment, Room C6/16, 2 Marsham Street, London SW1P 3EB.

Apart from the priority users, who should appoint senior staff members to apply economy measures, households, which accounted for 40 per cent of total national water usage, should be thinking in terms of cutting consumption by half. The alternative to voluntary economies would be standpipes in the streets.

Emergency Water Resources Committee

Membership of the Emergency Water Resources Committee which is to provide links between the Government and the main water consumer interests, was announced by Mr Howell on 27 August. It includes ministers from the Department of Industry, the Welsh Office, the Ministry of Agriculture, Fisheries and Food, and the Department of Employment, together with the Director General of the Confederation of British Industry (CBI), Mr John Methven; a senior representative of the Trades Union Congress (TUC); the chairman of the National Water Council, Lord Nugent; the president of the National Farmers' Union, Sir Henry Plumb; and the chairman of the National Consumer Council, Dr Michael Young.

Suspension of Import Duties on Vegetables

One effect of the drought has been the shortage of vegetables within the European Community. In order to alleviate the shortage the Governments of the member states have agreed to suspend customs duties on imports of fresh and chilled cauliflowers, white and red cabbages, peas, carrots and celery from outside the Community and from other member states from 29 August to 30 September inclusive.

On 9 September agriculture ministers held an extraordinary meeting of the Council of the Community, devoted to drought problems. They agreed to extend the suspension of customs duties on imports of cabbages, fresh peas and carrots until 1 November, and on imports of potatoes (including seed potatoes) until 31 December. They also agreed to reduce customs duties on imports from third countries of beans, onions and celery until 1 November and canned green beans until 31 December.

Help for Farmers

To help farmers in a number of the drought-affected areas of Britain, the Government has made two modifications in the arrangements for eradication of brucellosis, a cattle disease which since 1972 has been subject to compulsory eradication on an area basis, and for which there is also a voluntary eradication scheme. First, farmers in the areas where compulsory eradication of brucellosis is scheduled to start on 1 November, and who are not already accredited (that is, having farms declared clear of the disease) or participating in the voluntary scheme, will be able to opt for their herds to be dealt with on compulsory terms immediately. Under this scheme brucellosis reactors (that is, cattle in which blood tests indicate the likely presence of bacteria of the disease) are slaughtered and compensation is paid to the owners. The Minister of Agriculture, Fisheries and Food, Mr Frederick Peart, who announced the new arrangements on 27

August, pointed out that the bringing forward of the eradication date would help those farmers with a fodder problem who have brucellosis reactors in their herd. 'They will be able', said Mr Peart, 'to have their reactor animals taken on compulsory eradication terms some two months earlier than would otherwise be the case, thereby conserving fodder for the remaining stock . . .'.

The second measure refers to blood-testing of cattle free of charge. This is already available to farmers in the areas where compulsory eradication of brucellosis is scheduled to start in 1977. The scheme is now being extended to those areas where the compulsory scheme is not scheduled to start until after 1977. The Minister pointed out that this would enable those who find it necessary to dispose of part of their breeding herds because of shortage of fodder to take account of any brucellosis reactors present in the herds.

Energy

All the nationalised fuel and power industries recorded substantial improvements in their financial results in 1975-76, according to their annual reports and accounts.[1]

COAL

Financial Results

The total income of the National Coal Board (NCB) and its subsidiaries rose to £2,193·8 million in 1975-76 when the operating profit was £52·2 million, compared with £40·4 million in 1974-75. Mining activities recorded an operating profit of £24·6 million which, after taking account of the reduction in Government grants from £68·2 million in 1974-75 to £32·4 million in 1975-76, represented an improvement of £56·9 million on the previous year's results; non-mining activities also made operating profits. After interest payments and other items the NCB's net surplus was £5·3 million.

Output and Consumption

In 1975-76 output of coal in Britain fell by 1·4 million tons (1 ton = 1·016 tonnes) to 123·8 million tons, of which the NCB's deep mines contributed 112·6 million tons, opencast mines 10·2 million tons, and licensed mines and other sources 1 million tons. Technical efficiency continued to grow, but productivity as a whole (2·24 tons per manshift) was less than in 1974-75, partly because of an increase in tasks away from the coalface. Output was below the objective agreed by the NCB and the trade unions, and the report notes the failure of the production bonus scheme based on total output.

Although inland coal consumption fell by 4·9 million tons to 120·3 million tons in 1975-76, coal maintained its share of primary energy consumption at 37 per cent. Power stations increased consumption, by 3·2 million tons to 74·6 million tons, but all other markets took less coal.

Investment

Capital expenditure on mining increased, in line with the board's 'Plan for Coal' (see pp 435-6, 1974), by £98 million to £211 million in 1975-76. By the end of the year the NCB had approved 69 projects which are expected to produce an additional 24 million tons of coal a year. Continued success was achieved with the NCB's exploration programme, the level of drilling being ten times the yearly average in the 1960s. Operating reserves grew for the first time for over 50 years and by March 1976 comprised 3,800 million tons accessible from existing collieries and capable of extraction using current technology and 1,200 million tons available from planned collieries. The board believes that higher investment than provided for in the 'Plan for Coal' programme is necessary to raise productivity and reduce costs, and accordingly started a review of the programme; discussions were held with the Government.

ELECTRICITY

England and Wales

The income of the industry – the Central Electricity Generating Board (CEGB), the Electricity Council and the area boards – rose from £2,656 million in 1974-75 to £3,496 million in 1975-76, of which sales of electricity accounted for £3,262 million. After expenditure and depreciation there was an operating profit of £433 million, which represented a rate of return on net assets of 7·3 per cent. Interest payments totalled £424 million, leaving a net profit of £9 million, compared with the previous year's loss of £265 million. With substantial price increases during the year – 39 per cent for domestic customers and 17 per cent for industrial consumers – the report notes the progress made towards the Government's objective of eliminating subsidies to energy users through price restraint.

Output and Sales

The CEGB supplied 204,623 million kilowatt-hours (kWh) of electricity in 1975-76, 3 per cent less than in 1974-75. Conventional power stations supplied 89·5 per cent, nuclear stations 10·3 per cent and gas turbine plant 0·2 per cent. Vigorous measures were taken to minimise costs, resulting in a rise in thermal efficiency from 30·6 per cent in 1974-75 to 31·26 per cent in 1975-76, providing a saving of £30 million

[1] *National Coal Board*. Report and Accounts 1975-76. NCB, Hobart House, Grosvenor Place, London SW1X 7AE, £1. ISBN 0 901429 81 3. *The Electricity Council*. Annual Report 1975-76. Available from The Electricity Council, 30 Millbank, London SW1P 4RD. free (limited). (See also *The Electricity Council: Statement of Accounts and Statistics 1975-76*. The Electricity Council. HMSO, £1·80. ISBN 0 85188 046 0.) *Central Electricity Generating Board*. Annual Report and Accounts 1975-76. CEGB, Sudbury House, 15 Newgate Street, London EC1A 7AU, £2. ISBN 0 902543 47 4. (See also for operational statistics *CEGB Statistical Yearbook 1975-76*. CEGB, free (limited).) *South of Scotland Electricity Board*. Report and Accounts 1975-76. SSEB, Cathcart House, Glasgow G44 4BE, free (limited). *North of Scotland Hydro-Electric Board*. Report and Accounts 1 April 1975 to 31 March 1976. NSHEB, 16 Rothesay Terrace, Edinburgh EH3 7SE, free (limited). *British Gas Corporation*. Annual Report and Accounts 1975-76. BGC. HMSO, £1·50. ISBN 0 903545 23 3.

Note: The NCB's report covers the period 30 March 1975 to 27 March 1976; the reports of all the other bodies are for the year ended 31 March 1976.

in fuel costs. Sales of electricity at 189,438 million kWh were 3·3 per cent lower than in 1974-75, mainly as a result of the national recession, customers' responses to higher fuel prices and the effects of energy conservation. Domestic demand fell by 5·1 per cent and industrial sales by 2·7 per cent, although commercial sales grew by 3 per cent. Sales of virtually all electrical appliances were substantially lower than in the previous year.

Capacity

In 1975-76 the industry's capital expenditure was some £640 million, of which the CEGB was responsible for £438 million. New generating plant totalling 1,165 megawatts (MW) was brought into operation and the total declared net capability of the CEGB's 161 power stations in March 1976 was 58,677 MW. Owing to the fall in demand, there was a large surplus of generating plant and accordingly 48 stations or parts of stations will be closed between October 1976 and March 1977, leading to a reduction of 3,533 MW in total capacity.

The nuclear power station Hinkley Point B (Somerset), Britain's first commercial advanced gas-cooled reactor (AGR), began generating power in February 1976 and output is being steadily increased. Initial contracts, including one of the largest civil engineering contracts ever placed in Britain, were awarded for the construction of a large pumped-storage station at Dinorwic (Gwynedd).

South of Scotland

The income of the South of Scotland Electricity Board (SSEB) rose by 31 per cent in 1975-76 to £291·3 million and the operating profit was £63·8 million. The rate of return was 9·4 per cent, as against 5·2 per cent in 1974-75. After interest payments, a net profit of £2·7 million remained, compared with a net loss of £20·4 million in 1974-75. Internal resources provided 86 per cent of the SSEB's capital requirements, the highest self-financing ratio achieved by the board.

Thermal efficiency of the SSEB's conventional stations rose from 31·8 per cent in 1974-75 to 32·92 per cent in 1975-76. Capacity increased by 5 per cent to 6,082 MW at the end of the year following the commissioning of the first reactor unit (660 MW) at the Hunterston B (Strathclyde) AGR station. The second unit is planned to be in commercial operation before the end of 1976. Commissioning of the first 660 MW unit at the Inverkip (Strathclyde) oil-fired station is also expected towards the end of 1976.

North of Scotland

The North of Scotland Hydro-Electric Board (NSHEB) achieved a net profit of £0·1 million in 1975-76, compared with a net loss of £2·3 million in 1974-75. Income rose by £21·5 million to £106·1 million and there was a trading surplus of £25·4 million, which represented a rate of return on average net assets of 7 per cent.

Installed capacity was 2,160 MW at the end of the year. Under the joint generating agreement with the SSEB, conventional generation was concentrated at the SSEB's coal-fired plant, resulting in a higher inflow of electricity from the south of Scotland and a fall in output from the NSHEB's two oil-fired stations at Dundee, the older of which was not required for most of the year and is to be closed in 1977. Investment in 1975-76 was £70·1 million, of which two-thirds was required for construction work on the power station at Peterhead, where the first of two 660 MW units will enter service in 1978. Electricity requirements in Shetland grew rapidly and further diesel generating sets are to be installed there and on some of the other Scottish islands.

GAS

Financial Results

The British Gas Corporation's turnover increased from £1,206·7 million in 1974-75 to £1,565·6 million in 1975-76, of which sales of gas accounted for £1,339·9 million and of appliances £105·7 million. The trading profit was £187·1 million and, after interest payments of £176·7 million and other income, there was a net profit of £25·1 million, compared with a net loss of £44·2 million in 1974-75. Excluding subsidiary and associated companies, the rate of return on average net assets in 1975-76 was 8·6 per cent, as against 5·5 per cent in 1974-75. Major factors which led to improved results were an increase in gas sales of 4 per cent, and a higher rate of growth of income than of costs as a result of a 20 per cent increase in gas tariffs in October 1975.

Supplies and Sales

The quantity of gas available rose by 4·8 per cent to 14,346 million therms (1 therm = 25,200 kilocalories = 105,506 kilojoules) in 1975-76 and over 99 per cent was natural gas which now accounts for 17 per cent of primary energy consumption. The first gas from the Rough field in the North Sea was received at the terminal at Easington (Humberside) in October 1975.

Gas sales reached a record 13,454 million therms in 1975-76, the major growth sector being the commercial market where sales rose by 10·7 per cent to 1,441 million therms. Domestic sales increased by 4 per cent to 5,941 million therms, but industrial sales grew by only 2·6 per cent to 6,072 million therms, reflecting the industrial recession and the absence of additional large supplies of gas until 1977-78. Some 1·1 million customers had their appliances converted to run on natural gas, and by the end of March 1976 over 13 million of the 13·9 million customers were using natural gas.

Developments

Capital expenditure by the corporation and its subsidiaries rose from £238·7 million in 1974-75 to £346·6 million in 1975-76. Progress on the network to distribute gas from the northern North Sea to Scotland and northern England included the completion of the main building programme at the St Fergus (Grampian) terminal, the commissioning of two pipelines from St Fergus to Bathgate (Lothian) and the virtual completion of pipelines from Bathgate to Preston (Lancashire) and from Carlisle (Cumbria) to Bishop Auckland (Durham).

Civil Aviation

BRITISH AIRWAYS

Although the net loss recorded by British Airways in 1975-76 was higher than in the previous year, operating results improved and are expected to continue to improve in 1976-77, according to its annual report and accounts, published on 26 August.[1]

Financial Results

In 1975-76 turnover increased by 22 per cent to £916·1 million and operating profits by £4·7 million to £10·1 million, representing a return of 1·7 per cent on average net assets. The results were affected by the world recession which limited the growth of civil air traffic, particularly in the home market. The fall in the value of the pound increased the cost of repaying overseas loans and, after taking into account this extra cost, together with interest payments and taxation, British Airways' loss was £16·3 million, compared with £9·4 million in 1974-75. British Airways' net contribution to invisible earnings amounted to £215 million. Capital expenditure in 1975-76 totalled £128 million, while average net assets rose by £46·2 million to £587·2 million.

Airline Services

In 1975-76 British Airways carried 13·8 million passengers on scheduled routes, more than any other airline outside the United States and the Soviet Union, and remained the world's largest carrier of international scheduled service passengers. Average distance travelled rose by 167 kilometres to a record 1,978 kilometres, while the passenger load factor of 60·9 per cent was the highest since 1966-67 and above the world average of 55 per cent in 1975.

British Airways Overseas Division carried 13 per cent more passengers than in 1974-75 and there was a considerable growth in passenger traffic to the Middle East, where the frequency of several services was increased and the *Concorde* service to Bahrain introduced (see pp 81-2). Other areas where traffic increased included South America, Mexico and Australia. Although *Concorde* services recorded a loss of £2·3 million, of which £1 million represented non-recurring 'launch' costs, the report notes that the results covered a limited period of flying time that could not be regarded as representative of a fully utilised fleet and that *Concorde's* performance had exceeded expectations.

British Airways European Division's operating loss was reduced by £8 million to £7·4 million in 1975-76. Some 666,700 passengers were carried on the 'shuttle' service (a no-reservation, walk-on service with back-up aircraft if required) from London to Glasgow during its first full year of operation. As a result of its success, the division introduced a second shuttle service between London and Edinburgh and is investigating similar services for the routes from London to Belfast, Paris, Amsterdam and Dublin.

Passenger traffic handled by British Airways Regional Division fell by 1 per cent to 2·7 million. However, the division maintained its share of the market and reduced its operating loss by more than one-half to £1·7 million.

Other Activities

British Airways Helicopters Ltd carried a record 80,170 passengers between Penzance and the Isles of Scilly, the only scheduled helicopter passenger service in Europe, and expanded its activities in offshore operations in the North Sea. International Aeradio Ltd and its associates increased turnover from £22 million in 1974-75 to £35 million in 1975-76, of which overseas earnings accounted for 90 per cent. The division won its largest single contract, worth £57 million, for the operation and maintenance of meteorological technical services in Saudi Arabia and associated training in telecommunications.

Employment and Safety

During the year employment was reduced, as part of a controlled programme of natural wastage and early retirement, by 1,200 to 58,200 at the end of March 1976. Productivity, in terms of available tonne-kilometres per employee, grew by 9 per cent and British Airways aims to increase productivity by 55 per cent in the next five years. The company maintained a favourable safety record compared with many other major airlines.

BRITISH AIRPORTS AUTHORITY

The British Airports Authority (BAA), which controls seven airports together handling nearly three-quarters of passengers using British airports, achieved a substantial increase in operating and post-tax profits in 1975-76, according to its annual report and accounts.[1] Traffic recovered after the decline of 1974-75.

Financial Results

Income rose by 44 per cent to £77·6 million in 1975-76 and there was a trading profit of £16·8 million, compared with £10·3 million in 1974-75. 'Excellent results' for commercial operations (trading concessions, rents and services) were achieved, but the high rate of inflation led to a continuation of the loss on traffic operations in spite of large increases in landing fees. However, landing fees have been increased again and the BAA hopes that this loss will be eliminated in 1976-77. Operating profits represented a return of 15 per cent on net assets, compared with 11·5 per cent in the previous year, making an average of 14·2 per cent for the three years ended 31 March 1976, a performance described by the report as creditable in view of the world economic crisis, but below the target of 15·5 per cent set by the Secretary of State for Trade in February 1974. Net profits after interest and taxation payments were £6·2 million, as against £3·8 million in 1974-75.

[1] *British Airways. Annual Report and Accounts 1975-76.* British Airways. HMSO, £1. ISBN 0 900031 09 3.

[1] *Annual Report and Accounts for the British Airports Authority 1975-76.* BAA. HMSO, £3. ISBN 0 903460 06 8.

Traffic

The number of passengers using the BAA's airports in 1975-76 was a record 31·8 million, 6·7 per cent higher than in the previous year and 2·7 per cent above the previous peak traffic year of 1973-74. The main contributing factors were an increase in tourists visiting Britain and an unexpected increase in the number of British holidaymakers flying abroad. Air transport movements declined by 1·5 per cent to 417,000, reflecting airlines' efforts to improve load factors together with their use of larger aircraft. Cargo traffic fell by 8·9 per cent to 527,000 tonnes mainly as a result of increased competition from road haulage on short-haul routes to the continent of Europe. All the BAA's airports except Prestwick (Strathclyde) handled more passengers than in 1974-75, the biggest percentage increase being at Aberdeen, the fastest growing airport in Britain as a result of its connection with the offshore oil and gas industry, where traffic rose by 37·7 per cent to 692,700 passengers. Of the other airports, Heathrow handled 22 million passengers, Gatwick 5·4 million, Glasgow 2 million, Edinburgh 882,800, Prestwick 571,300 and Stansted (Essex) 247,500.

Developments

In 1975-76 the BAA invested some £36 million in airport developments and in the next five years plans to invest a further £175 million (at March 1976 prices). At Heathrow the redevelopment and modernisation of Terminal 2 began, a check-in area for *Concorde* flights was installed in Terminal 3, preparatory work was completed on a project to co-ordinate the systems for displaying flight information, and several other projects were initiated. Further progress was made on Gatwick's £70 million development programme. Work started on the construction of a new cargo centre which will have three times the capacity of the present centre. The first stage of a programme to improve the terminal building at Glasgow started towards the end of 1975. At Edinburgh the new £5 million runway was opened in April 1976, thus virtually eliminating the necessity for aircraft to be diverted to other airports, while work was well advanced on the new passenger terminal complex which will replace the present terminal facilities in the spring of 1977. An improved instrument landing system and a new airfield lighting control system were installed at Prestwick. Work on many developments, including a new terminal building, fire station, car parks and areas for aircraft manoeuvring, was in progress at Aberdeen to accommodate the rapid growth in aircraft and helicopter traffic – Aberdeen has become the world's busiest heliport, handling 27,000 helicopter movements and 153,000 passengers in 1975-76.

The Post Office

A considerable improvement in the finances of the Post Office in 1975-76 resulted in a profit of £147·9 million, as against the previous year's loss of £306·6 million, according to its report and accounts for the year ended 31 March 1976.[1] Among the factors contributing to this improvement were price increases, internal economies and the beneficial effects of the Government's counter-inflation policies.

Financial Results

The Post Office's income (excluding internal transactions) rose from £2,117 million in 1974-75 to £3,205·7 million in 1975-76, while expenditure amounted to £3,057·8 million. All sectors of the Post Office improved their financial results; there were profits of £154·7 million on telecommunications, £1·3 million on data processing, £0·8 million on Giro and £0·3 million on remittance services, while the postal service recorded a loss of £9·2 million. Savings achieved by internal economies – £44 million in telecommunications and £35 million in posts – and benefits from the Government's counter-inflation policies, particularly its pay policy (see p 269, 1975), led to substantially better results for posts and telecommunications than had been expected.

Telecommunications

Higher charges and the effects of the economic recession restricted the rate of growth of inland telephone calls to 1·6 per cent; 13,736 million local and 2,356 million trunk calls were made during the year. Some 2·5 million telephones were installed, bringing the total in service to 21·1 million by March 1976 and the waiting list was more than halved to 47,000. A significant expansion in subscriber trunk dialling took place and 92·7 per cent of trunk calls in 1975-76 were dialled direct. Further electronic exchanges were installed – over 650 were in use by March 1976 – and the first of a new generation of large, local electronic exchanges, the *TXE 4*, was brought into service in Birmingham in February 1976; over 80 *TXE 4s* are scheduled to enter service in the next three years.

International calls increased by 20 per cent to 92 million and international subscriber dialling was extended so that by March 1976 about 60 per cent of customers in Britain could dial direct to 26 countries. The world's largest international switching centre at Edgware (Greater London), costing £50 million, was completed. A new submarine cable, capable of handling 1,260 telephone calls simultaneously, was brought into service between Britain and Spain in June 1975. The Post Office's tropospheric scatter radio service began operations in January 1976, allowing offshore oil and gas production platforms to be connected to the national and international telecommunications network.

The number of telex connections increased by 9 per cent to 59,400 in March 1976. Automatic telex dialling facilities were extended so that, by September 1976, 100 countries could be directly dialled from Britain. A computer-controlled telegram retransmission centre, the largest of its kind in the world, was opened in London and handles all international telegrams to and from Britain as well as those in transit through London from one

[1] *Post Office. Report and Accounts 1975-76.* HMSO, £2. ISBN 0 11 880475 8.

country to another. The number of datel (data transmission) services grew by 18 per cent to 41,300 in March 1976. Orders were placed for equipment for an internationally compatible datel service which will allow data transmission at 2,400 bits per second.

Posts

In 1975-76 the Post Office handled 9 per cent fewer letters and 15·3 per cent fewer parcels, and the previous growth in overseas airmail ceased. Correspondence posted totalled 9,903 million items including 479 million items sent by air. Further mechanised letter sorting offices were opened and the first of a new generation of code sorting equipment, embodying many improvements, was installed at Redhill (Surrey). Datapost, an overnight delivery service for computer data and important packages, handled 2·3 million items in 1975-76, 50 per cent more than in 1974-75.

Giro

Giro handled 195 million transactions, with a total value of £29,800 million, in 1975-76. The number of accounts rose by 24,000 to 517,000 in March 1976. Giro began to expand its services and introduced a service offering personal loans, while plans were drawn up for the issue of cheque guarantee cards and introduction of overdraft facilities. Under the Post Office (Banking Services) Act 1976 (see p 144), Giro's capital structure was reorganised and the Government has set Giro a financial objective of a 12·5 per cent return on public dividend capital plus retained profits over the three years from 1 April 1975.

Research

Expenditure on research and development increased by 39 per cent to £40·2 million, of which £38·6 million was on telecommunications. The Post Office's new research centre at Martlesham Heath (Suffolk), the most advanced of its kind in Europe, was officially opened in November 1975.

Control of Genetic Manipulation

Experiments in genetic manipulation should be encouraged, subject to rigorous precautions, according to the report[1] of the Working Party on the Practice of Genetic Manipulation published on 25 August.

The working party was set up in August 1975. Its terms of reference were: 'In the light of the Report of the Advisory Board for the Research Councils' Working Party on the potential benefits and potential hazards associated with the genetic manipulation of micro-organisms[2] [the Ashby Report] and of the Working Party on the Laboratory Use of Dangerous Pathogens,[1] to draft a central code of practice and to make recommendations for the establishment of a central advisory service for laboratories using the techniques available for such genetic manipulation, and for the provision of necessary training facilities; and to consider the practical aspects of applying in appropriate cases the controls advocated by the Working Party on the Laboratory Use of Dangerous Pathogens.'

The Ashby Report

The Ashby Report, published in January 1975, had concluded that, subject to rigorous safeguards, the techniques which allow the experimental manipulation of the genetic composition of micro-organisms should continue to be used because of the great benefits to which they might lead; they would undoubtedly advance understanding of the causes of human and animal diseases and might make dramatic contributions to the production of crops. The report considered also the potential hazards that had to be balanced against the potential benefits – for example, the possible introduction into bacteria present in the human intestine of virulence factors or of new combinations of resistance to antibiotics, not already found in nature. Drawing attention as it did to both the potential hazards and the potential benefits, the Ashby Report was published not only to inform Government but also to stimulate discussion by the scientific community and by the general public.

Genetic Manipulation Advisory Group

One of the recommendations of the 1976 report, reached after lengthy consultations with scientific experts and representatives of the trade unions and management, is that a central Genetic Manipulation Advisory Group (GMAG) should be established, separate from the Dangerous Pathogens Advisory Group but in liaison with it, to advise on appropriate precautions based on a model code of practice. The GMAG will be responsible to the Secretary of State for Education and Science, the Medical Research Council providing the secretariat and supporting services. The present report also recommended that Regulations should be made under the Health and Safety at Work etc Act 1975 requiring laboratories to submit detailed plans to the advisory group before such work is undertaken.

Government Acceptance

The Government has accepted the general principles of the working party (1976) report, as announced in the House of Commons on 5 August (*Hansard*, written answers, col 1013) by the Secretary of State for Education and Science, Mr Fred Mulley, who said that the Government would institute a system of control which would, however, be voluntary in the first instance.

Health and Safety Commission Proposals

Draft Regulations which would provide for such compulsory notification of proposed experiments

[1] *Report of the Working Party on the Practice of Genetic Manipulation.* Cmnd 6600. HMSO, 50p. ISBN 0 10 166000 6.

[2] *Report of the Working Party on the Experimental Manipulation of the Genetic Composition of Micro-organisms.* Cmnd 5880. HMSO, 26p. ISBN 0 10 158800 3.

[1] *Report of the Working Party on the Laboratory Use of Dangerous Pathogens.* Cmnd 6054. HMSO, 55p. ISBN 0 10 160540 4.

in the genetic manipulation of micro-organisms were put forward in a consultative document[1] issued by the Health and Safety Commission on 25 August.

The Health and Safety Commission's consultative document says that the commission accepts the working party's recommendation in principle, sets out the text of the draft Regulations proposed and explains them.

The commission wishes to include within the scope of these Regulations all work involving genetic manipulation of micro-organisms which could present any hazard, direct or indirect (for example, from diseases of animals or plants) to the health and safety of workpeople or the general public. It is, however, inviting the scientific interests concerned to identify established methods of genetic manipulation which do not present any potential hazard and might therefore be exempted.

The draft Regulations provide for compulsory notification to the Health and Safety Executive so that, as the agency generally responsible for enforcing the Health and Safety at Work Act, it can monitor the working of the Regulations. Administrative arrangements would be made for consideration of the proposed experiments by a non-statutory central advisory group to be established by the Department of Education and Science. The commission proposes that any precautions recommended by the advisory group to protect the health and safety of workpeople or the general public should be enforced by Health and Safety Executive Inspectors with the full range of powers available to them under the Health and Safety at Work Act. The commission is, however, inviting comments on the need to include in the draft Regulations more specific provision for enforcing such precautions.

Non-employed people, such as research students, and people engaging in spare-time activities, would also have to notify any proposed experiments of this type. They would, moreover, have a legal obligation to avoid risk to the health of the general public when carrying out this kind of work. This obligation would be imposed through the use of powers already available under the Health and Safety at Work Act to extend the application of the Act outside the field of paid employment.

The commission has sent the consultative document to the interests principally concerned, such as educational and research organisations, Government departments, the Confederation of British Industry, the Trades Union Congress and local authority associations. Other interested organisations and individuals may obtain copies of the consultative document (including the draft Regulations).

Other Recommendations

Other recommendations in the 1976 report are that further work should be done on the development and characterisation of disabled organisms and that any which are developed should be made freely available to all workers in the field; no genetic manipulation experiment should be undertaken in containment conditions less stringent than those used for work with common pathogens; the code of practice specified in the report should be adopted as a basis for the conduct of these experiments; every laboratory conducting these experiments should have a safety committee and a biological safety officer; appropriate training should be made available and be required for all research workers, technicians and biological safety officers in genetic manipulation laboratories; a system of voluntary control should be established as quickly as possible.

[1] *Compulsory Notificotion of Proposed Experiments in the Genetic Manipulation of Micro-orgonisms*. Obtainable free from the Public Enquiry Point, Health and Safety Executive, Baynards House, 1 Chepstow Place, London W2.

SOCIAL AND CULTURAL AFFAIRS

Postgraduate Education

The Government's views on postgraduate education are set out in a White Paper published in August in response to recommendations made by the Expenditure Committee of the House of Commons.[1] The White Paper groups the issues raised by these recommendations under three headings: the objectives of postgraduate education; the content, type and balance of courses offered; and administrative and financial arrangements. An annex deals with a number of miscellaneous recommendations made by the committee.

Objectives

Three broad objectives of postgraduate education are identified by the White Paper: the training of men and women to meet the future needs of industry, the professions and other employment; the satisfaction of the demand from students; and the contribution which research students make to the advancement of knowledge or to the research capability of an educational institution. The Government broadly accepts the Expenditure Committee's view that 'postgraduate education should be shaped, not by student demand alone, but principally by the needs of the economy and society as a whole'. Meeting the country's need for trained manpower, however, goes wider than an attempt to match the output of postgraduate students to the demand for specific skills. It is unlikely that a close match between supply and demand could ever be achieved, and the White Paper stresses the importance of resisting the temptation to forecast and plan with spurious precision.

Content and Type of Courses

The White Paper states that the institutions of higher education and the award-making bodies have, over the last ten years, shown a marked responsiveness to the needs of the economy and of society. Since the mid-1960s the expansion of postgraduate taught courses relative to research studies has been encouraged, as has the collaboration of employers in determining the content and teaching of courses designed to give specific training. The Government accepts that it has a responsibility for regulating the overall scale of postgraduate education but considers that the content and balance of training is best left to the institutions themselves.

[1] *Expenditure Committee. Government Observations on Third Report, Session 1973-74. Postgraduate Education.* Cmnd 6611. HMSO, 28p. ISBN 0 10 166110 X.

Administration and Finance

The Expenditure Committee made recommendations designed to create a more centralised system of control of student numbers and distribution and expenditure. Under the present system, finance for the provision of training facilities is made available through the University Grants Committee or by the local authorities, and student support grants are provided largely through the research councils (for the natural and social sciences) or by the Department of Education and Science and the Scottish Education Department (for the arts and humanities). The Government's view is that this system of administration and finance embodies a degree of control which is sufficiently effective and is compatible with the autonomy of the institutions concerned. It agrees, however, that the need for some form of broadly based advisory machinery to give consideration to the whole of postgraduate education should be examined.

On the committee's recommendation that part of the support for a postgraduate student should take the form of loans, the Government does not consider that loans in partial or complete substitution for grants would achieve worthwhile public expenditure savings in the near future and it has no intention at present of introducing such a scheme.

Occupational Pension Schemes

EQUAL STATUS FOR MEN AND WOMEN

Government proposals for legislation to improve the provision for women in occupational pension schemes were published on 25 August in a consultative document issued by the Department of Health and Social Security.[1] Mr David Ennals, Secretary of State for Social Services, described the proposals as 'a further major step in the Government's efforts to end discrimination against women'. They follow Government consideration of recommendations made by the statutory Occupational Pensions Board in a report on equal status for men and women in occupational schemes.[2]

About half the working population are covered by occupational pension schemes provided by their employers. The schemes are usually contributory and

[1] Obtainable from Department of Health and Social Security, Alexander Fleming House, Elephant and Castle, London SE1 6BY.

[2] *Equal Status for Men and Women in Occupational Pension Schemes.* Cmnd 6599. HMSO, £2·60. ISBN 0 10 165990 3.

provide a pension additional to that offered by the State national insurance scheme.

The proposed legislation will extend the equal access requirements of the Social Security Pensions Act 1975 (see pp 162-3, 1975) in order to secure equal treatment for men and women in relation to eligibility for scheme membership. It will also introduce new provisions concerning the treatment for pension purposes of maternity pay and maternity leave provided under the Employment Protection Act 1975 (see p 213, 1975). In addition the legislation will prevent discrimination through discretionary rules, and allow for a means of legal redress for an employee or scheme member who considers that such rules have been exercised in a discriminatory way. Differences in benefits and contributions resulting from the use of different mortality assumptions for men and women will be proscribed. The Government does say, however, that occupational schemes should not be required to secure equal pension ages for men and women (at present 65 for men and 60 for women) or to provide equal widows' and widowers' pensions while such differences of treatment remain in the State scheme.

Other legislative proposals will enable the courts to order that a survivor's pension, automatically provided under the rules of a scheme, should be paid in whole or in part to a separated or divorced spouse. Furthermore the disclosure of more information to scheme members about cover for dependants would be required, and dependants would be allowed to obtain information about a scheme.

The Government is considering legislation on certain other related topics, notably equal facilities for men and women to transfer their pensions from one employer to another and the provision of all death benefits (apart from survivor's pensions) on the same basis for men and women.

Probation and After-care

A report on the work of the Probation and After-care Service for offenders in England and Wales was published in August, and covers the period 1972 to 1975.[1] Among the topics covered are the organisation, administration and functions of the service, manpower and training, probation hostels and homes, bail hostels, parole for prisoners, and the contribution of voluntary organisations.

Developments in the scope and nature of the functions of the service reflect the increasing importance which successive Governments have attached to the policy of enabling as many offenders as possible to be dealt with by non-custodial means. The report gives details of the application of the Criminal Justice Act 1972 which introduced several innovations in non-custodial treatment methods (see pp 583-4, 1971). There has been a considerable advance in the development of some of these methods, perhaps the most important being the extension of schemes for community service by offenders. Following the success of pilot schemes in six areas, arrangements have been introduced in the whole or part of nearly all the 56 probation and after-care areas of England and Wales. Community service by offenders, says the report, is 'an imaginative and flexible sentence' which should be regarded as suitable primarily for people who might otherwise have been sent to prison or some other form of custody. Other changes introduced by the 1972 Act and involving the probation service include the supervision of some offenders given suspended sentences and the establishment of four experimental day training centres to which offenders may be sent as a requirement of a probation order.

There have also been changes in the pattern of the service's more traditional work. Over the period 1970 to 1974, for instance, the number of people receiving after-care rose, mainly because more adult prisoners voluntarily sought assistance; at the same time the number of people on probation declined, partly because of the abolition in 1971 of probation orders for people under 17 years of age (this power was replaced by the power to impose supervision orders) and partly because of a fall in the use of three-year orders.

[1] *Report on the Work of the Probation and After-care Department, 1972-75.* Home Office. Cmnd 6590. HMSO, £1·20. ISBN 0 10 165900 8.

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

List of Overseas Visits by Members of the Royal Family. COI, SN5484.

The Houses of Parliament, COI, FSB/B2.

Statistics of Persons Acquiring Citizenship of the United Kingdom and Colonies 1975. Cmnd 6578. HMSO, 30p. ISBN 0 10 165780 3.

United Kingdom in Figures, 1976. A pocket folder prepared by the Government Statistical Service containing social and economic statistics. Available free from the Press and Information Service, Central Statistical Office, Great George Street, London SW1P 3AQ.

External Affairs and Defence

Report from the Select Committee on Cyprus. Session 1975-76. Observations by the Government (see p 245). Cmnd 6579. HMSO, 20p. ISBN 0 10 165790 0.

Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Polish People's Republic concerning the Settlement of certain Residual Matters arising from the Termination of the Agreement of 14 January 1949 relating to Money and Property subjected to Special Measures since 1 September 1939, London, 30 March 1976. [The Exchange of Notes entered into force on 30 March 1976.] Cmnd 6520, HMSO, 12p. ISBN 0 10 165200 3.

Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic amending the Exchange of Notes of 29 August 1975 concerning the establishment of a Representative Assembly for the New Hebrides. Cmnd 6605. HMSO, 12p. ISBN 0 10 166050 2.

Economic and Scientific Affairs

United Kingdom Balance of Payments 1965-75. HMSO, £2·05. ISBN 0 11 630153 8.

World Invisible Trade. August 1976. The report includes complete information for 1973 and some provisional figures for 1974. Commlttee on Invisible Exports, 7th Floor, The Stock Exchange, London EC2N 1HP. £2.

Collusive Tendering: Report of the Committee of Experts on Restrictive Business Practices – Organisation for Economic Co-operation and Development (OECD). Member countries of OECD are concerned with the elimination of collusive tenders, since these are considered to be the direct cause of unduly high prices in public contracts. The report identifies the main problems, describes attempts by national legislation to resolve the problems, highlights the deficiencies which exist and proposes measures to help improve the situation. OECD Publications, Paris. £1·80. ISBN 92 64 11532 3.

The EEC Preliminary Draft Convention on Bankruptcy, Winding-up Arrangements, Compositions and Similar Proceedings: Report of the Advisory Committee. The committee appointed by the Government three years ago to study the draft convention which seeks to secure the reciprocal enforcement of bankruptcy judgments in member states of the European Community, and thus to reform the administration of insolvent estates, has recommended a number of changes. It welcomes the convention, subject to the changes being satisfactorily effected, as a desirable step towards European legal co-operation. Cmnd 6602. HMSO, £2. ISBN 0 10 166020 0.

Companies in 1975. Department of Trade. Annual report of matters within the Companies Act 1948 and the Companies Act 1967, Part I. HMSO, £1·05. ISBN 0 11 511142 5.

Review Body on Armed Forces Pay. Service Medical and Dental Officers. Supplement to Fifth Report 1976 (see p 265). Cmnd 6515. HMSO, 20p. ISBN 0 10 165150.

Monopolies and Mergers Commission. Three reports on restrictions on advertising of accountancy services, stockbrokers' services and veterinary services. All three professions are declared by the commission to be monopolistic and their advertising restrictions are found to operate against the public interest. The Secretary of State for Prices and Consumer Protection, Mrs Shirley Williams, has said that the groups should be given greater freedom to

advertise than is at present allowed under their existing codes of conduct and has asked the Director General of Fair Trading to enter into discussions with the Stock Exchange and the relevant professional bodies about the proposed new rules and safeguards on advertising and allied matters. *Accountancy Services*, Cmnd 6573. HMSO, £1·35. ISBN 0 10 165730 7. *Stockbrokers' Services*, Cmnd 6571. HMSO, 85p. ISBN 0 10 165710 2. *Veterinary Services*, Cmnd 6572. HMSO, 95p. ISBN 0 10 165720 X.

National Consumer Council Report No 1. Consumers and the Nationalised Industries. This first major report by the council contains far-reaching proposals aimed at better, cheaper and more efficient service to the public from nationalised industries and presents to the Government a plan of action for future legislation covering fuel, public transport, Post Office and water. In reply to a parliamentary question (*Hansard*, 3.8.76, written answers, cols 692-3), Mrs Shirley Williams said that the Government would be giving the recommendations serious thought, taking into account also the results of its general examination of the problems of the nationalised industries. HMSO, £3·50. ISBN 0 11 880236 4.

National Consumer Council Report No 2. Paying for Fuel. This report is the result of an investigation by the council, requested by Mrs Shirley Williams, into the effect of energy prices on low-income households, to examine evidence of particular hardship and to suggest means of alleviating hardship. Available from NCC, 18 Queen Anne's Gate, London SW1H 9AA.

A Study of UK Nationalised Industries. Background Paper 1: Financial Analysis. National Economic Development Office, Millbank Tower, Millbank, London, SW1P 4QX. £6. ISBN 0 7292 0124 4.

Financial Results of the UK Chemical Companies 1971/72-1974/75. Chemicals Economic Development Committee, National Economic Development Office. £3·60. Available from Neddy Books, NEDO, Millbank Tower, London SW1P 4QX.

New Advance Factory and Land Purchase Programme: A new programme of advance factories and land purchase was announced by Mr Alan Williams, Minister of State, Department of Industry. The programme amounts to £2·9 million, comprising about £2·1 million for 19 advance factories and £0·8 million for land purchase. The factories are expected to create about 900 jobs. *Hansard*, 3.8.76, written answers, cols 720-1.

Utilisation of Sperm Oil by the Leather Industry. The report shows that about half of Britain's leather production relies on sperm oil in order to maintain its quality standards and that no single product is available which could replace sperm oil in its applications in the leather industry. Available from the Central Library of the Department of Industry, 1 Victoria Street, London SW1H 0ET. £2·75.

Estimates of Food Supplies Moving into Consumption in the United Kingdom. Food Facts No 8, 23 August 1976. Notes and statistical tables summarising estimates of total consumption of different foods per head in the years 1972 to 1975. Ministry of Agriculture, Fisheries and Food. Free.

Digest of United Kingdom Energy Statistics 1976. Department of Energy. HMSO, £9. ISBN 0 11 410277 5*.

Advisory Council on Energy Conservation. Paper 2 – Passenger Transport: Short-and Medium-term Considerations. Energy Paper Number 10. Department of Energy. HMSO, 90p. ISBN 0 11 410287 2.

Offshore Licensing. The Government has invited applications for the fifth round of offshore petroleum production licences (see pp 255-6) from 20 August until 5 October for 71 blocks and parts of blocks covering a total area of nearly 15,000 square kilometres. The terms and conditions of the licences are laid down in the Petroleum (Production) Regulations 1976. HMSO, 95p. ISBN 0 11 061129 2. Department of Energy press notice, 19.8.76.

Transport and Road Research 1975. Annual report of the Transport and Road Research Laboratory, Department of the Environment. HMSO, £2·60. ISBN 0 11 550399 4.

Road Safety. The Minister for Transport, Dr John Gilbert, announced in the House of Commons on 4 August that the Government had accepted the report of the Blennerhassett Committee (see p 216) as a basis for new drinking and driving legislation, which would be introduced as soon as practicable. *Hansard*, written answers, cols 897-8.

Exchange of Notes concerning a Grant by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Democratic Republic of the Sudan. (United Kingdom/Sudan Grant Agreement 1976.) Khartoum, 16 February 1976. [The Agreement entered into force on 16 February 1976.] Cmnd 6502. HMSO, 30p. ISBN 0 10 165020 5.

Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hashemite Kingdom of Jordan amending the United Kingdom/Jordan Development Loan (1973). Cmnd 6560. HMSO, 12p. ISBN 0 10 165600 9.

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of the United States of America and the Government of the French Republic regarding Monitoring of the Stratosphere, Paris, 5 May 1976. [The Agreement entered into force on 5 May 1976]. Cmnd 6554. HMSO, 20p. ISBN 0 10 165540 1.

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Socialist Republic of Romania on the Mutual Promotion and Protection of Invest-

ments of Capital, London, 19 March 1976. [Instruments of ratification have not been exchanged.] Cmnd 6500, HMSO, 20p. ISBN 0 10 165000 0.

Social and Cultural Affairs

Population Projections 1974-2014. A report prepared by the Government Actuary and published by the Office of Population Censuses and Surveys, containing population projections analysed by sex, age and marital status, for the United Kingdom and its constituent countries. HMSO, £1·55. ISBN 0 11 690550 6.

Census 1971. Great Britain. Qualified Manpower Tables (*10 per cent sample*). HMSO, £5·70. ISBN 0 11 690554 9.

Report of the Working Party on Vagrancy and Street Offences. The Home Office working party recommends the modernisation of the vagrancy laws, and, in relation to street offences by prostitutes and offensive conduct by men who persistently accost women for sexual purposes in a public place, proposes a provision to control 'kerb crawling' by motorists. The Government has accepted the report in principle. HMSO, 60p. ISBN 0 11 340758 0.

The Hospital for Sick Children, Great Ormond Street. COI, SN5832.

Invalid Vehicle Service and Mobility Allowance. The three-wheeled invalid motor vehicles for severely disabled people who are unable, or virtually unable, to walk are to be phased out over about a five-year period, and Government help with mobility will concentrate on the £5-a-week allowance introduced in January (see p 396, 1974 and p 246, 1975). The allowance is at present available to people in the age group 15 to 50 years, although the first-stage arrangements to bring disabled children aged 11 and over into the scheme in November have recently been announced. The rate is to be reviewed in November 1977 with the aim, if possible, of improving its value in real terms. *Hansard,* 23.7.76, cols 2229-42.

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czechoslovak Socialist Republic on Co-operation in the Field of Medicine and Public Health. Cmnd 6561. HMSO, 20p. ISBN 0 10 165610 6.

Education. COI, FSB/C3.

Housing. COI, FSB/C7.

The Public Sector Housing Pipeline in London. Fifth report of the Action Group on London Housing. Available from the Department of the Environment, London Housing Division C10/15, 2 Marsham Street, London SW1P 3EB. 80p.

Housing in Multi-Racial Areas. Report of a working party of housing directors established by the Community Relations Commission which contains recommendations concerning the housing needs of ethnic minorities. CRC, 15-16 Bedford Street, London WC2E 9HX. 60p.

National Parks and the Countryside. Sixth report from the Expenditure Committee of the House of Commons. HMSO, £7·70. ISBN 0 10 243376 3*.

The British Museum (*Natural History*). COI, SN5907.

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